

TOWN OF EASTHAM, MASSACHUSETTS

HOUSING PRODUCTION PLAN



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Prepared for the Eastham Board of Selectmen

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TOWN OF EASTHAM

HOUSING PRODUCTION PLAN

I. EXECUTIVE SUMMARY

A. Introduction

Eastham is a coastal resort and residential community, nestled between the Atlantic Ocean on the east and Cape Cod Bay on the west, Wellfleet to the north and Orleans to the south, on the forearm of the Lower Cape. The town of about 5,400 year-round residents is approximately 25 miles east of Hyannis, 92 miles southeast of Boston, and 96 miles east of Providence.

Eastham has approximately fourteen and one-quarter (14.25) square miles of upland, translating into about 9,120 acres, of which nearly one-third, or 3,000 acres, lies within the Cape Cod National Seashore. Eastham has the distinction of being the gateway to this important national treasure that attracts millions annually. It also has an important historic role as the place where the Pilgrims first landed in 1620, the exact location which continues to be called to this day “First Encounter Beach”. Several decades later, in 1651, the town, which had been referred to as “Nawsett,” became known as Eastham.

In reflection of this significant history, the Local Comprehensive Plan, which was prepared in 2002, states, “The Nauset Indians walked these grounds many years ago. Our forefathers, the Pilgrims, followed suit. We, who are presently entrusted with formulating plans for the future of Eastham, must do our best to preserve the essence of these grounds. We will be judged for the courage we demonstrate in our comprehensive planning.”¹ While the “maintenance of community character” is presented as the Town’s overriding planning goal, an introduction to the Plan also includes these words, “Eastham is, and will continue to be, a caring community as evidenced by a strong interest in affordable housing for all residents in our Town who have such need, and by the continued strong support given to human services.”²

These recreational and historical features as well as Eastham’s small town character, have continued to lure visitors over the years – some who arrive for short or extended periods in the summer, others who have decided to purchase second homes, and those searching for a place to retire. But like most communities on the Cape, living in Eastham has become expensive. While house prices have declined somewhat over the past several years given a sluggish housing market, median housing prices for single-family homes are still about \$342,500, down from \$425,000 last year, out of reach for many long-term, year-round residents.

A summary of some of the key demographic and housing characteristics of Eastham versus Barnstable County and the state is included in Table I-1 and highlighted below.

- *Declining Population*

Eastham experienced substantial population growth, particularly in the late 20th Century. For example, between 1970 and 2000, the population more than doubled in size growing from 2,043 residents to 5,453. Town records indicated that the population has decreased somewhat to 5,401 residents in 2009 and census projections estimate a likewise population decrease for Barnstable County of 0.5% but an increase for the state of 2.3%.

¹ Town of Eastham, 2002 Local Comprehensive Plan, Committee Statement, page iii.

² Ibid.

Table I-1
Summary of Demographic and Housing Characteristics for
Eastham, Barnstable County and the State

Characteristics	Eastham		Barnstable County		Massachusetts	
Household Characteristics						
	2000 Census	2009 Estimate*	2000 Census	2008 Estimate*	2000 Census	2008 Estimate*
Total population	5,453	5,401	222,230	221,049	6,349,097	6,497,967
% less than 18 years	17.7%	11.0%	20.4%	17.7%	23.6%	22.0%
% 20 to 34 years	12.7%	14.9% (21-34)	13.2%	15.5%	21.0%	19.8%
% 35 to 44 years	14.3%	11.3%	15.3%	12.5%	16.7%	14.7%
% 45 to 54 years	15.1%	14.0%	14.8%	15.0%	13.8%	15.4%
% 55 to 64 years	12.6%	15.4%	11.5%	13.4%	8.6%	11.6%
% 65 years or more	26.0%	27.4%	23.1%	24.0%	13.5%	13.4%
Median age	47.6 years	50.0	44.6 years	46.3	36.5 years	38.7
% non-family households	31.8%	--	36%	37.4%	36%	36.4%
Average household size	2.24 persons	2.19	2.28 persons	2.33	2.51 persons	2.33
Median income 2000	\$42,618	\$66,910 (\$52,767)	\$45,933/ \$72,115	\$57,314	\$50,502	\$65,401
Individuals in poverty	5.5%	--	7%	7.4%	9%	9.7%
% earning less than \$25,000	22.0%	19.5%	24.6%	19.4%	24.6%	19.8%
% earning more than \$100,000	10.2%	16.6%	12.4%	23.7%	17.7%	30.2%
Total housing units	5,535	5,958	147,083	156,141	2,621,989	2,735,645
% occupied housing	43.3% (year-round)	40.7 (year-round)	64.5%	59.6%	93.2%	90.2%
% owner-occupied	82.3%	82.3%	77.8%	81.2%	61.7%	64.5%
% renter-occupied	17.7%	17.7%	22.2%	18.8%	38.3%	35.5%
% seasonal or occasional use	38.0%	--	32.0%	--	3.6%	--
% single-family, detached structures	94.9%	88.3%	82.9%	83.6%	52.4%	52.9%
Median sales price	\$192,300	\$342,500	\$178,800	\$300,000 (8/09)	\$185,000	\$264,900
Housing growth 2000 to 2008	4.0%		6.2%		4.3%	
Housing density 2000 to 2008	203.4 to 218.6 units per square mile		371.6 to 394.5 units per square mile		334.5 to 349 units per square mile	

Source: Data for the above table is derived from the 2000 census, and updated estimates have been incorporated. * The numbers for the County and state are updated census projections based on the 2008 American Community Survey unless otherwise noted. The estimates for Eastham are from the Nielsen Claritas data source 2009.

- *Slower Housing Growth*

The amount of land devoted to residential development increased nine-fold, from 340

acres or 3.7% of the town in the late 1960s to more than 4,700 acres or 51% by 2000. The annual average rate of conversion from 1960 to 1991 was 105 acres per year, which increased to 114 acres per year from 1991 to 2000.³ Barnstable County as a whole experienced significant housing growth, fifth highest among the state's 14 counties, and resulting increases in density, third highest among the 14 counties. During this same period, the number of building permits issued in Eastham indicates about a 7.6% increase in new housing units, somewhat higher than the county at a projected 6.2% rate of housing growth and the state at 4.3%. However, about half of new units involved the teardown of existing homes, consequently Eastham experienced net growth of less than 4.0%.

- *Relatively Low Housing Density*
Eastham's housing density was significantly lower than the county and the state's at about 218.6 per square mile as opposed to 394.5 and 349 for the county and state, respectively, as projected as of the end of 2008. This is largely reflective of the considerable amount of preserved open space in town, including the National Seashore.
- *Substantial Amounts of Preserved Open Space*
As noted above, about one-third of the town's land area is part of the National Seashore and about another 500 acres is owned by the Town and also protected. This significant reserve of open space as well as other undevelopable natural resources, have helped make Eastham a particularly appealing place to live or visit, attracting tourists, retirees and second-home owners. Nevertheless, such large amounts of protected land, puts substantial development pressures on those very limited parcels that remain undeveloped.
- *High Seasonal Housing Pressures*
More than half of the town's housing stock is occupied by seasonal or occasional residents as compared to 32% for Barnstable County as a whole, where one would expect a high level of such residents, and a state average of only 3.6%. In the summer months Eastham's resident population increases to almost 30,000, putting enormous pressure on Town services and the long-term, permanent population. This temporary population, however, has bolstered the local economy and employment has increasingly focused on servicing these occasional residents or visitors.
- *Increasingly Older Population*
In comparison to the Cape and state in general, Eastham's population is older with a median age of 47.6 years as compared to 44.6 and 36.5 years for the county and state, respectively, in 2000. Since then the median age in Eastham is estimated to have increased to 50 years. Additionally, the town had a higher proportion of residents 65 years of age or older, 26% versus 23% for the county and only 13.5% for the state in 2000. The proportion of this age group has also increased to an estimated 27.4% in 2009. The housing needs of this aging population should be addressed in the Town's planning efforts.

Related to a somewhat older population is the lower portion of school-age children under 18 years of age with Eastham at 17.7%, the county at 20.4% and 23.6% for the state in 2000. Population estimates suggest that children are continuing to decrease, to as low as 11% in the case of Eastham in 2009. The relatively smaller proportion of children is related to the increasing numbers of non-family households and dwindling numbers of those aged 20 to 34 who are forming new families and entering the labor market, 12.7% of all households in Eastham but

³ Town of Eastham, Local Comprehensive Plan, Second Edition, October 2002.

13.2% for the Cape in general and 21.0% for the state, projected to increase somewhat. The relatively high cost of living in Eastham, the lack of affordable housing, and limited employment opportunities in particular, are creating barriers for this age group and making it increasingly more likely that those who were raised in Eastham will be less likely to be able to raise their own families locally without housing subsidies or help from their families. The social and economic vitality of Eastham will be diminished without extensive contributions of young workers and families.

- *Lower Incomes*

The disparity between lower incomes in Eastham and higher housing costs creates a significant affordability gap. The 2000 median income in Eastham was lower than that for the county and state, \$42,618 versus \$45,933 and \$50,500, respectively. Updated 2009 projections for Eastham and the Cape are \$66,910 and \$72,115. However, the percentage of those earning less than \$25,000 annually was somewhat lower in Eastham, 22.0%, while it was 24.6% for the county and state in 2000 and down to about 19% for Eastham, the county and the state more recently. At the other end of the income range, there were fewer year-round residents in Eastham and the county earning more than \$100,000, 10.2% and 12.4%, respectively, when compared to the state at 17.7%. Updated projections for the county and state for 2008 indicated that the percentage earning above \$100,000 almost doubled but increased about 63% or to 16.6% in the case of Eastham.

- *High Housing Costs*

The 2000 median house price provides a comparison of Eastham's housing market to that of Barnstable County and the state, with higher median market values than the county and state, \$192,300 versus \$178,800 and \$185,700, respectively. Since that time housing prices increased substantially but have started to decline given the recent recession. An article (1/07/09) in the Cape Cod Times indicated that in 2008 the median house price had fallen to \$310,000 Cape-wide, substantially less than the median for Eastham of \$425,000 at that time.

Eastham's median house value for a single-family home was around \$450,000 from 2004 through 2007, but decreased to \$425,000 as of the end of 2008. More recent sales data indicates that house prices have continued to decline, albeit at a more rapid rate, with a median price of \$342,500 as of May 2009, based on 30 sales. To afford this median price, a purchaser would have to earn approximately \$85,000 based on conventional lending practices, well beyond the means of most local residents. Escalating housing prices are also reflected in increased property taxes, which in combination with rising energy bills and insurance costs, cause a serious financial strain on long-term residents, particularly those with fixed incomes. Applying the updated median income estimate of \$66,910 for Eastham, results in an affordability gap of \$77,500, the difference between what the median income household could afford (\$265,000) and the median priced house (\$342,500), down considerably from the recent past due to the combination of lower interest rates and declining house prices. A federal tax credit of \$8,000 for first-time homebuyers has made housing even more affordable to some who have been shut-out of the private housing market.⁴ However, stricter mortgage financing requirements, including down payments of 20%, have reduced access to financing and have effectively widened the affordability gap.

Additionally, while the rental housing stock is relatively small, only about 424 units, rents are high, averaging about \$1,000 for a two-bedroom year-round unit without the added costs of utilities. Leasing requirements of a first and last month's rent plus a security deposit create further financial barriers for renters.

⁴ This tax credit is available through June 30, 2010.

- *Scarce Supply of Affordable Housing*

The supply of housing for working families is dwindling as homes that were priced reasonably in the past have almost doubled in value, largely driven by the demand from the seasonal, second home and retirement market. The market has softened somewhat over the past couple of years throughout the Cape, New England and the nation, however, housing still remains expensive.

Based on the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory, Eastham had 2,642 year-round housing units⁵, of which 49 can be counted as affordable, representing 1.85% of the year-round housing stock. Planned project activity should bring this percentage up to over 2%. To meet the state's 10% affordable housing goal under Chapter 40B of the Massachusetts General Laws, at least 264 of the existing units would have to be "affordable". This means that right now Eastham is well short of the 10% standard, and assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of year-round units will increase over time.

B. Housing Goals

This Housing Production Plan incorporates the goals that were established as part of the Housing Section of the Local Comprehensive Plan that was approved by the Town in 2002 including:

- To promote the provision of fair, decent, safe, affordable housing for rental or purchase that meets the needs of present and future Eastham residents.
- To promote equal opportunity in housing and to give special consideration to meeting the housing needs of the most vulnerable segments of Eastham's population including, but not limited to very low income (50% of area median income), single female heads of households, racial minorities, people with AIDS, the elderly, the homeless, disabled, and others with special needs.
- To seek out, provide support and encourage the development of innovative strategies designed to address the housing needs of Eastham, with particular attention to the needs of low- and moderate-income renters.
- To develop and promote strategies, plans, policies, and actions, which integrate the development of affordable housing with protection of Eastham's environment.

C. Summary of Development Challenges

Undertaking a more proactive housing agenda to promote affordable housing will be a significant challenge in Eastham. First, the town's resources for absorbing growth are limited given significant physical constraints. For example, Eastham has no sewer and water services, making denser development more costly and difficult. This raises concerns among residents about water supply and water quality impacts of any new development. Moreover, Route 6, while serving as the gateway to the National Seashore, also directs substantial traffic through what is effectively Eastham's main thoroughfare.

Second, one-third of Eastham's land area is part of the National Seashore where development is extremely limited. This large area as well as the western coastline along Cape Cod Bay, include substantial marshland, tidelands, wetlands, and other ecosystems that are important shellfish other wildlife habitats. These natural amenities attract thousands if not millions of visitors annually and provide highly valued opportunities for a wide range of recreational activities that need to be protected to the greatest extent possible. Eastham's extensive and important water resources, for example, are valuable environmental, economic and aesthetic assets for not only the community but for other areas of the Cape as well. There is a full understanding that as build-out approaches, development pressures will

⁵ Based on 2000 census data but 10% goal will be adjusted when the new year-round housing unit count becomes available from the 2010 census, sometime in 2011.

increase, which further suggests the need to actively preserve land and accommodate affordable housing and other public benefits within existing and future development. Additionally, the Town has a very limited supply of land still available for development and owns relatively little property on which it can develop in support of public needs, including affordable housing.

Third, as mentioned earlier, Eastham's population increases five-fold during the summer season as visitors are attracted by the town's wide-ranging recreational opportunities and natural beauty. This surge of population puts enormous pressures on existing Town services and infrastructure and presents other challenges for the community such as how to house seasonal workers and maintain sufficient affordable housing for year-round workers.

Fourth, like most localities in the Commonwealth, Eastham's Zoning By-law embraces large-lot zoning of at least 40,000 square feet per unit, largely in consideration of Title 5 regulations. The Town has incorporated several measures to promote affordable housing and smart growth development, and is currently pursuing plans for a mixed-use village center in North Eastham that will incorporate affordable housing. Nevertheless, low housing density still constrains the construction of affordable housing by severely reducing opportunities for economies of scale in development.

Fifth, the Town needs to continue to promote more affordable development by effectively managing the Town's limited assets as a whole and directing growth for the overall environmental and social health of the community. Besides approving Community Preservation Act, Eastham has established a Municipal Affordable Housing Trust Fund to promote affordable housing. Because the Town has limited commercial and industrial uses, it relies predominantly on property taxes raised through its residential base.

Due to the relatively high costs of homeownership, including costs associated with taxes, insurance and utilities, some residents are still finding it difficult to afford to remain in Eastham. Children who grew up in the town continue to face the possibility that they may not be able to find sufficient employment opportunities that will enable them to afford to return to raise their own families locally despite some recent reductions in housing prices and federal tax credits for first-time homebuyers. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with high expenses, but are unable to find alternative housing in town that better meets their current life styles including housing that is handicapped-accessible and has supportive services. Seniors are a substantially increasing segment of the population, and the Town will need to focus on their growing housing needs. Families are finding it more difficult to "buy up," purchasing larger homes as their families grow. Town employees and employees of local businesses are increasingly hard pressed to find housing that is affordable in Eastham and are confronted with long commutes. Clearly more housing options are required to meet diverse local needs and produce Eastham's fair share of regional needs.

D. Summary of Housing Needs

Based on the Housing Needs Assessment (see Section III), there are a number of key indicators that suggest there are significant local needs for affordable housing that go well beyond what is required to meet the 10% state affordability goal including:

1. *Households with Very Limited Incomes*
 - Despite increasing household wealth, there were substantial numbers of households with incomes below \$25,000, including 674 households or more than 28% of all households, based on 2000 census data, down somewhat to 474 households and 20% of all households in 2009 estimates. There are substantially more of these households than subsidized units available (58 units). Given Eastham's tight housing market, it can be expected that many lower income residents are struggling to afford to remain in the community.

- About 1,000 households had incomes at or below 80% of area median income in 2000. Therefore, based on income alone, about 42% of Eastham's households might have qualified for housing assistance. While income has increased it has done so more slowly than housing costs.
- Despite overall decreases in poverty from 1989 to 1999, there still remained a population within the town of Eastham, including 378 individuals and 74 families, who had substantial income limitations and may require public assistance to meet their housing needs.
- There were 255 households earning at or below 30% of area median income, referred to by HUD as extremely low-income households, and of these 195 were owners and 60 were renters. Almost 38% of these owners and 67 % of these renters, or 73 total households, were spending more than half of their income on housing-related expenses.
- Of the 288 households earning between 30% and 50% of area median income, referred to as very low-income households, more than 35% (103 households) were spending over 30% of their income on housing and 20% (59 households) were spending more than 50% on housing.
- Rental listings indicate that it is difficult to find a year-round rental of a two-bedroom unit for less than \$1,000, not including utilities that can add \$150 per month.
- There are few if any housing options for seasonal workers who are essential for sustaining Eastham's significant resort economy.

Priority Need #1: Given the high costs of housing, more subsidized rental housing is necessary to make living in Eastham more affordable, particularly for those described above with very limited financial means.

2. Affordability Gaps

- Recent real estate listings as of July 13, 2009, included no single-family homes on the market in Eastham for less than \$200,000 and only eight (8) for between \$200,000 and \$300,000.
- Information from the Town Assessor on the assessed values of residential property in Eastham indicated that 2.3% of Eastham's housing stock was valued at less than \$200,000 but most of the units in this price range were cottage-style condominiums that are vacated in the winter months. There were only 14 single-family homes assessed below \$200,000, still relatively affordable to those earning at about the median income level but likely to be small "fixer-uppers".
- Applying the updated median income estimate of \$66,910, based on the 57% change in the HUD median income levels for Barnstable County between 2000 and 2009, would result in an affordability gap of \$72,500 as of the end May 2009, the difference between what the median income household could afford (\$270,000) and the median priced house (\$342,500). *The current affordability gap would in fact be significantly greater but declining mortgage interest rates as well as a softening housing market have made housing more affordable in Eastham and throughout much of the country. However, stricter financing requirements, including down payments of 20% of the purchase price, have effectively contributed to widening the affordability gap.*
- For those earning at 80% of area median income (\$55,900 for a family of three), this gap is now \$117,500, the difference between the maximum they could afford of \$225,000 and \$342,500. If a two-person household is considered which could afford a home costing no more than \$200,000 based on an income of \$49,700 and conventional lending terms, the affordability gap is \$142,500.
- Demographic trends also suggest that those entering the labor market and forming new families in Eastham are dwindling in number, reducing the pool of entry-level workers and service employees. For example, in 1980 those age 21 to 34 comprised about 21.1% of Eastham's residents, but by 2000 those in this age category comprised only 12.1% of all residents.

Priority Need #2: Wider range of affordable housing options including first-time homeownership opportunities, particularly for younger households entering the job market and forming their own families, as well as for empty nesters.

3. *Special Needs Households*

- In 2000, 1,277 residents claimed some type of disability, including 26% of all seniors.
- There are a very limited number of handicapped accessible units in the town's Subsidized Housing Inventory.
- Older residents 55 years of age and older are a growing segment of the population, from 2,104 residents or almost 40% of the population in 2000 to a projected 2,483 or 46% by 2014.
- There are no subsidized housing units available solely for the elderly.
- There were only eight (8) units of special needs housing available (Department of Mental Health group homes).
- There are no assisted living units in Eastham.

Priority Need #3: Some amount of new housing should be built handicapped-adaptable or accessible to the disabled, including seniors, and more supportive housing services should also be integrated into new development – goal of 10% of all new units created, 20% for seniors.

4. *Existing Housing Conditions*

- About 35% of Eastham's housing stock was built prior to 1970, and houses in this age category are more likely to have traces of lead-based paint, posing safety hazards to children, as well as problems concerning aging system and structural conditions.
- Because there are no municipal sewer services, some existing septic systems are likely failing or in disrepair.

Priority Need #4: Programs to support necessary home improvements, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly the elderly living on fixed incomes, and including investor-owned properties tenanted by qualifying households.

Based on these priority needs and the calculations summarized in Section III.C.5, this Housing Needs Assessment suggests that the Town of Eastham establish the following targeted affordable housing production goals over the long-term and short-term (five years of the Housing Plan). These goals suggest that two-thirds of the new affordable units to be created be rentals with the remaining one-third for first-time homebuyers or income-eligible seniors. Of the 300 affordable units to be built over the long-term, and 75 units in the short-term, approximately 30% are targeted to single persons or seniors, 57% to small families and the remaining 13% to larger families requiring at least three bedrooms. The goals also assume that a certain percentage of new units created will be built adaptable to the handicapped and/or include supportive services based on special needs – 10% in case of family housing and 20% for units directed to seniors or single-persons.

Table I-2
Summary of Priority Housing Needs and Targeted Production Goals
Longer-term Goals/Shorter-term, Five-Year Goals

Type of Housing	Seniors/Single Persons** One Bedrooms	Small Families/ 2 Bedrooms	Large Families/ 3+ Bedrooms	Total
Rental	40/10	140/35	20/5	200/50
Ownership	50/12	30/8	20/5	100/25
Total	90/22	170/43	40/10	300/75
Special Needs*	18/4	17/4	4/1	39/9

Source: 2000 HUD SOCDS CHAS and Census data, Karen Sunnarborg Consulting

* Represents 10% of all total units created in family housing and 20% in senior and single person housing and includes handicapped adaptability and/or supportive services.

** Approximately 15% of units in this category directed to non-elderly, single person households.

E. Summary of Production Goals

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of .50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.⁶ Eastham would have to produce at least 13 affordable units annually to meet these production goals through 2010, a formidable challenge. This goal is likely to increase to about 15 units after the next decennial census count becomes available and housing growth will continue to drive-up the 10% goal. If the state certifies that the locality has complied with its annual production goals, the Town may be able, through its Zoning Board of Appeals, to deny comprehensive permit applications.⁷ Production goals over the next five (5) years include the creation of 79 affordable units and 8 workforce units⁸, and 134 total projected number of housing units created that includes some market rate units.

F. Summary of Housing Strategies

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, local housing goals and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Building Local Capacity, Zoning Strategies, and Housing Production – and categorized according to priority as those to be implemented within Years 1 and 2 and those within Years 3 to 5. A summary of these actions is included in Appendix 1. The strategies also reflect state requirements that ask communities to address a number of major categories of strategies to the greatest extent applicable:⁹

It should be noted however, that while a major goal of this Plan is to eventually meet the state's 10% goal under Chapter 40B, another important goal is to serve the range of local housing needs, and there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory.

Within the context of the compliance issues, local needs, existing resources, affordability requirements, and the goals listed in Section II of this Plan, the following housing strategies are offered for consideration. *It is important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels.* Moreover, the proposed actions present opportunities to judiciously invest limited Community Preservation funding to build local capacity, modify or create new local zoning provisions and development policies, subsidize

⁶ The state has issued changes to Chapter 40B that included modifications to the Planned Production requirements. For example, the annual production goals are instead based on one-half of one percent of total housing units and plans are now referred to as Housing Production Plans (HPP).

⁷ If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

⁸ Workforce units are defined in this Plan as those earning between 80% and 120% of area median income who are still largely priced out of the existing housing market.

⁹ Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources, and help preserve the existing affordable housing stock.

1. *Build Local Capacity*

Specific actions to help build local capacity to meet local housing needs and production goals are summarized below. While these strategies do not directly produce affordable units, they provide the necessary support to implement a proactive housing agenda and build local support for new affordable housing initiatives.

- *Conduct ongoing educational campaign*
Continue to engage the community in discussions on affordable housing to present information on the issue needed to dispel myths and negative stereotypes and to help galvanize local support, political and financial, for new production. Information and referrals for qualifying residents to provide assistance in making necessary home improvements, purchasing their first home, avoiding foreclosure, etc. can also be made available through greater community education and outreach.
- *Secure sufficient professional oversight*
Hire the necessary professional expertise to provide ongoing staff-support to effectively coordinate the implementation of various components of the Housing Plan.
- *Continue to apply for Commonwealth Capital scoring*
Continue to prepare and submit the scoring application under the state's Commonwealth Capital Program prior to applying for any of the state's capital spending programs or as required to be competitive for state discretionary program funding related to housing, infrastructure, transportation, economic development, etc.

2. *Zoning Strategies*

Housing production is contingent not only on actual development projects but on the regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources on housing creation. To most effectively and efficiently execute the strategies included in this Plan and meet production goals, greater flexibility will be needed in the Town's Zoning Bylaw, and new tools will be required to capture more affordable units and better guide new development to specific "smarter" locations. The Town of Eastham should consider the following zoning-related strategies to provide appropriate incentives and guidance to promote the creation of additional affordable units.

- *Promote affordable housing in mixed-use development*
Building on the recommendations in the 2002 Local Comprehensive Plan, the Town has embarked on a planning effort to create a traditional mixed-use village center in North Eastham at the intersection of Route 6 and Brackett Road and involving the surrounding private and public properties. This effort, involving rezoning through a Village Overlay District, is the centerpiece of the Town's new development efforts, involving a comprehensive development strategy, and needs to be fully implemented.
- *Integrate affordable housing in the Open Space Residential Subdivision Development (OSRSD) bylaw*
Eastham's zoning includes an Open Space Residential Subdivision Development (OSRSD) bylaw that requires part of the development parcel be set-aside and regulated as permanent open space when such plan is preferable to a conventional residential

subdivision. This provision promotes a “smarter” and more compact type of development pattern as units are built in a cluster instead of the conventional grid pattern, allowing higher density on a portion of the site and creating permanently restricted open space. The bylaw, however, has not been used to date. The Town should revisit these provisions and determine what measures may better promote its use including density bonuses for the integration of some amount of affordable housing.

- *Adopt inclusionary zoning*
Adopt inclusionary zoning *with incentives* to ensure that any new residential development in Eastham provides a percentage of affordable units or cash in-lieu of units to be invested in the Town’s Housing Trust Fund.
- *Modify the accessory apartment bylaw*
Because accessory apartments provide small rental units that diversify the housing stock within the confines of existing dwellings or lots, the Town might consider amending its existing bylaw to better promote such units even if they are not eligible for inclusion in the Subsidized Housing Inventory.

3. *Housing Production*

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Eastham to continue to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced may rely on the participation of existing property owners, most of the production will continue to rely on joint ventures with developers – for profit and non-profit – to create affordable units, which the Town has been actively pursuing over the past few years.

- *Continue to make publicly-owned land available for affordable housing*
Conduct necessary feasibility studies to determine the feasibility of publicly-owned properties for affordable housing and convey suitable properties to selected developers through Requests for Proposals based on the Town’s terms and conditions for development and state Local Initiative Program (LIP) requirements.
- *Continue to partner with developers*
Continue to reach out to area non-profit and for profit developers who have been active in producing affordable housing to discuss the Town’s interest in promoting these units, possible areas and opportunities for new development, and priorities for new development that include the use of local zoning provisions, “friendly” comprehensive permits, the conversion of existing housing to long-term affordability and infill development.